



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Basin and Range National Monument
P.O. Box 237 (1400 South Front Street)
Caliente, Nevada 89008-0237

http://www.blm.gov/nv/st/en/prog/nlcs_new/Basin_and_Range_National_Monument.html

In Reply Refer To:
3100 (NVL0500)

DECISION RECORD

Bureau of Land Management	:	
Basin and Range National Monument	:	Decision Record
1400 S. Front Street, PO Box 237	:	DOI-BLM-NV-L030-2015-0003-EA
Caliente, NV 89008	:	

I have reviewed the Final Environmental Assessment for the Murphy's Gap APD Well No. 14-23 in Lincoln County, Nevada (DOI-BLM-NV-L030-2015-0003-EA) and have issued a Finding of No Significant Impact (FONSI). It is my decision to approve the Application for Permit to Drill (APD) by Makoil, Inc. to drill a wildcat exploration oil well on their lease (NVN 087038) and maintain existing roads in Lincoln County, Nevada, identified in Alternative B, with the well pad location selected from Alternative A, as described in the Environmental Assessment (EA). The project area is located on BLM-administered lands within the Basin and Range National Monument. The total acreage of project disturbance would be 5.7 acres. In accordance with 43 CFR section 3165.4(c) this Decision is in full force and effective immediately.

CONDITIONS OF APPROVAL AND STANDARD OPERATING PROCEDURES **APPLICATION FOR PERMIT TO DRILL OIL AND GAS WELL**

Operator: Makoil, Inc.
Lease: NVN-087038
Well: Murphy's Gap 14-23

A COPY OF THIS MUST BE FURNISHED TO
YOUR FIELD REPRESENTATIVE TO ENSURE COMPLIANCE

Agency Contacts:
BUREAU OF LAND MANAGEMENT
Nevada State Office
PO Box 12000 (1340 Financial Blvd)
Reno, NV 89520-0006
Petroleum Engineer: John Menghini
Office Telephone: 775-861-6573
Cell: 775-223-1359
Email: jmenghin@blm.gov

NEVADA DIVISION OF MINERALS
Nevada Division of Minerals
400 W. King Street #106
Carson City, NV 89703
775-864-7040
Oil, Gas and Geothermal Program:
Office: 775-684-7042
Fax: 775-684-7052

Basin and Range National Monument
1400 South Front Street, PO Box 237
Caliente, NV 89008
775-726-8100

Conditions of Approval:

- 1) No hydraulic fracturing is proposed in the APD and amendments. Additional NEPA will be required if hydraulic fracturing is proposed later in time.
- 2) In accordance with BLM Policy the appropriate practices from the following resources will be used to ensure resource protection. These resources include:
 - Resource Program Best management Practices (BMPs) contained in Appendix A, Section 1 of the Ely District Record of Decision and Approved Resource Management Plan (BLM 2008b)
 - The Standard Operating Procedures (SOPs) for Oil and Gas Operations in the Ely District, BLM (Appendix A)
 - The BMPs in the Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development ("The Gold Book") (BLM and USDA 2007)
 - A Sundry Notice and Report on Wells (form 3160-5) would be filed for approval for all changes of plans and other operations in accordance with 43 Code of Federal Regulations (CFR) 3162
 - Bonding is required under 43 CFR 3104.
- 3) Existing roads would be maintained in same or better condition as existed prior to the commencement of operations, and maintenance would continue until final abandonment and reclamation of the well. A minimum amount of gravel from the proposed gravel source analyzed in the Environmental Assessment (EA) would be used to surface existing roads to support mobilizing and demobilizing equipment. Maintenance of existing roads outside of the existing disturbance or significantly changing the road condition or surface material would be closely coordinated with BLM and Lincoln County Roads Department and may require additional NEPA analysis.
- 4) The water well is held by grazing permittee, Varlin Higbee, with certificate number 15954. An estimated 210,000 gallons or 5000 barrels is required to construct and drill the proposed well. The water source would be permitted through Nevada Water Resources by Jamie Drayton on behalf of Makoil, Inc. Ms. Drayton would present a copy of the permit.
- 5) A sundry notice would be submitted to the Authorized Officer prior to commencement of construction and installation of production facilities (i.e. multiple storage tanks, generated power unit, pumping unit, small building for supplies, etc).

- 6) Monitoring needed to assess reclamation success and continuing environmental stewardship would consist of periodic compliance inspections of the area during the life of the drilling operation by an authorized officer of the BLM.
- 7) Access to the water well will be limited to the road oriented NW-SE that is currently graveled. Use gravel road only, not 2-track to help reduce size and scale of impacts from surface disturbance.
- 8) During continued drilling, intermediate casing would be set to protect oil, gas, usable quality water zones (if encountered) and prospectively valuable minerals deposits; to provide protection against abnormal pressure zones and lost circulation zones; or when otherwise required by anticipated well conditions. The casing string would be cemented with a sufficient volume of cement to cover and/or isolate all hydrocarbon zones or other mineral deposits, isolate abnormal pressure intervals from normal pressure intervals, and contain any fluids with the potential to migrate and/or isolate formation fluids.
- 9) A migratory bird survey, including surveys for burrowing owls, would be conducted by an approved biologist at a maximum of seven days prior to any surface clearing activities. The survey would include a 300 feet buffer around the project area. The report would be sent to the Authorized Officer in the Caliente Field Office. The project will adhere to "Protecting Burrowing Owls at Construction Sites in Nevada's Mojave Desert Region."
- 10) Per the Ely RMP timing stipulation for Big Game Calving/Fawning/Kidding/Lambing Grounds, no surface activity would be allowed within big game calving/fawning/kidding/lambing grounds from April 15 through June 30.
- 11) The reserve pit will be fenced and netted in accordance with Washington Office Instruction Memorandum 2013-033; see Appendix B. Any facilities will be closed with screens or otherwise to prevent birds, bats and other wildlife from entering in accordance with Washington Office Instruction Memorandum 2013-033; see Appendix B.
- 12) Due to the potential for dark kangaroo mouse within the project area and ancillary facility areas, a small mammal survey will be required prior to ground disturbing activity. If surveys determine presence of this BLM sensitive species, BLM and NDOW will work with the project proponent to determine the best course of action to avoid population-level effects to this species.
- 13) Methods of handling drilling fluids will include a lined reserve pit. Hydrocarbons will not be allowed to accumulate in the reserve pit.
- 14) Hazardous Chemicals will be contained in structures sufficiently impervious to prevent a discharge and should be consistent with the Environmental Protection Agency's Spill Prevention, Control, and Countermeasures (SPCC) regulation (40 CFR 112). Containment structures and strategies should be routinely monitored and maintained to ensure satisfactory containment. All spills or leakages of oil, gas, salt water, toxic liquids or waste materials, blowouts, fires, personal injuries, and fatalities should be reported by the operator to the BLM in accordance with the requirements of Notice to Lessees NTL -

3A and in accordance with any applicable federal, state, or local requirements (The Gold Book page 39).

- 15) Interim reclamation and final reclamation will be in accordance with Alternative B of the EA. Compacted soils must be ripped during reclamation. Margins of disturbed areas, berms and soil stockpiles should be seeded with an appropriate seed mix upon completion of the well pad.
- 16) Should the project enter development phase, the project will comply with the Monument Proclamation (no new rights-of-way for electricity transmission) and use of on-site options, such as solar or a generator.
- 17) The project will comply with the Clean Water Act and Nevada Water Pollution Control Regulations (Nevada Revised Statute 445A) and with the Memorandum of Understanding between the BLM and Nevada Division of Environmental Protection, dated September 2004. Additionally, any water used for exploration or production of oil and gas resources will be in compliance with BLM Manual 7250 and Nevada Water Law to ensure that the use does not to impact other water right holders.
- 18) Visual resource conditions include:
 - Paint facilities to blend with the landscape (BLM can help with recommended colors).
 - Minimize the area to be cleared of vegetation as much as possible (e.g. constructing a pad that is not necessarily rectangular in shape).
 - Use low profile construction for facilities.
 - Stain the soils to reduce the long term visual impacts.
 - Use filtered lights that point toward the ground at night to reduce the visual impact to night skies.
 - Site facilities close together, when possible, and in a way that minimizes the visual impacts (e.g. grouping buildings blocks a smaller portion of the natural landscape than spreading buildings apart).
 - Site production facilities close together and near the entrance to minimize the footprint for production and allow more interim reclamation that will reduce the visual impacts.

Resource Conservation Measures

- Implementation of BLM's Best Management Practices from the Ely RMP and The Gold Book and Standard Operating Procedures.
- Additional NEPA analysis required if action changes to include hydraulic fracturing or additional ground disturbance.
- A Sundry Notice and Report on Wells (form 3160-5) would be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.
- Bonding is required under 43 CFR 3104.

AUTHORITIES

- 1) The Proposed Action is in conformance with the Ely District Record of Decision and Approved Resource Management Plan (2008) as amended by the Greater Sage-Grouse Approved Resource Management Plan Amendment signed in 2015. The project is not within habitat for Greater Sage-Grouse. Section 2.7.1 of the final EA documents the conformance with BLM Land Use Plan.
- 2) The Proposed Action is in conformance with the Basin and Range National Monument Proclamation (2015).
- 3) The Proposed Action is also consistent with all relevant federal, state, and local statutes, regulations, and plans as described in section 2.7.2 of the final EA.

RATIONALE FOR DECISION

The EA analyzed three alternatives: Alternative A – APD as proposed by Makoil, Inc., Alternative B – alterations to the proposal to address resource concerns, and the No Action Alternative. The Notice of Staking (NOS) was distributed to agencies, tribes, and posted in the Caliente Field Office public room in July 2014. BLM received the APD on July 31, 2014, which was later determined complete in November 2014. The APD was made available in the public room on July 31, 2014 and remains available to the public.

During preparation of the EA, the public was notified of the proposed action by posting the project on the NEPA register. A public comment period was offered between September 14, 2015 and September 25, 2015. Based on public input, the comment period was extended to October 20, 2015. The public comment period was announced on the Ely District website, the project website, a press release sent out, and the press release was posted in the public room at the Caliente Field Office.

Internal scoping was conducted on August 12, 2014 by an interdisciplinary (ID) team that analyzed the potential consequences of the proposed action. The ID team attended the Notice of Staking on-site inspection on July 9, 2014 and the APD on-site inspection on August 11, 2014.

Letters were sent to twelve tribes on June 23, 2015 notifying them of the project and requesting consultation on any potential issues. The only response from a tribal government received regarding this proposed action was from the Duckwater Shoshone Tribe of the Duckwater Reservation who requested a visit to the site. No other responses have been received to date. The Ely District Tribal Coordinator and Caliente Field Office Archaeologist led a field trip for the Duckwater Shoshone Tribe of the Duckwater Reservation on August 14, 2014.

The BLM received approximately nine external comments from individuals, organizations, and government agencies on the proposed action during the comment period. Most comments expressed concerns about potential impact to water resources, the Basin and Range National Monument, and wildlife. Others expressed concerns about hydraulic fracturing, air quality/climate change, cultural resources, soil resources, visual resources, mineral resources,

and coordination and consultation. Sections of the final EA were revised to include additional impact analysis to address resource concerns. The final EA is available on the BLM website at <https://eplanning.blm.gov/epl-front-office/eplanning/planAndProjectSite.do?methodName=renderDefaultPlanOrProjectSite&projectId=44838&dctmId=0b0003e8807d32aa>.

Alternative B, with the exception of the well pad location, was selected over the other alternatives because it meets the purpose and need for the action, addresses resource concerns, and results in the least amount of environmental impact. The well pad location adjacent to the roadway, as presented in Alternative A, was selected for human health and safety reasons and less visibility to the public.

The No Action Alternative would deny drilling of the proposed oil well. This alternative would not comply with the legal right to reasonable surface occupancy as granted to Makoil, Inc. through their mineral leases issued under the provisions of the Mineral Leasing Act 1920, 30 USC 181 et. Seq., as amended.

APPEALS:

This decision may be appealed to the Interior Board of Land Appeals (Board), U. S. Department of the Interior (DOI) Office of Hearings and Appeals, in accordance with the regulations contained in 43 CFR, Part 4. The appellant has the burden of showing that the decision appealed from is in error. If an appeal is taken, a notice of appeal and/or request for stay must be filed in writing, on paper, in this office, either by mail or personal delivery. Notices of appeal and/or request for stay that are electronically transmitted (e.g., email, facsimile, or social media) will not be accepted as timely filed. The notice of appeal is considered filed as of the date our office receives the hard copy and places our BLM date stamp on the document. If an appeal is taken, a notice of appeal must be filed within 30 days of either of receipt of the decision if served a copy of the document, or otherwise within 30 days of the date of the decision. If sent by United States Postal Service, the notice of appeal must be sent to the following address:

Bureau of Land Management
Basin and Range National Monument
1400 South Front Street, PO Box 237
Caliente, NV 89008

The appeal may include a statement of reasons at the time the notice of appeal is filed, or the statement of reasons may be filed within 30 days of filing this appeal. At the same time the original documents are filed with this office, copies of the notice of appeal, statement of reasons, and all supporting documentation also must be sent to the U. S. DOI Solicitor at the following address:

Regional Solicitor, Pacific Southwest Region
U.S. Department of the Interior
2800 Cottage Way, Room E-2753
Sacramento, CA 95825-1890

If a statement of reasons is filed separately from the notice of appeal, it also must be sent to the following location within 30 days after the notice of appeal was filed:

Interior Board of Land Appeals
Office of Hearings and Appeals
4015 Wilson Boulevard
Arlington, VA 22203

This Decision will remain in effect during the appeal unless a petition for stay is granted. If the appellant wishes to file a petition pursuant to regulations at 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that the appeal is being reviewed by the Board, the petition for a stay must accompany the notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. If the appellant requests a stay, the appellant has the burden of proof to demonstrate that a stay should be granted.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.



Alicia Styles
Monument Manager
Basin and Range National Monument

2/26/16

Date